



SERVING TEXAS VETERANS
for life

Type II Program Forfeited Land Sale

INSTRUCTIONS & OFFER TO PURCHASE FORM
FOR FORFEITED LAND TRACTS
AVAILABLE TO THE GENERAL PUBLIC

TEXAS



VETERANS LAND BOARD

JERRY PATTERSON, CHAIRMAN

Dear Interested Bidder:

This handbook contains instructions and the Offer to Purchase form for submitting offers on tracts available for sale exclusively through the Type II program. Tracts are listed on our Web site at: www.glo.texas.gov/vlb/veterans-benefits/forfeited-land-sales. These tracts have previously been made available for sale to Texas veterans through sealed bid auctions, but were not sold.

The program guidelines have changed. Qualified Texas veterans may purchase a Type II Tract at the current land program interest rate. Non-veterans may purchase Type II Tracts, but Veterans Land Board financing is not available.

I am pleased to offer you a unique opportunity to own a piece of Texas. This handbook will guide you in submitting an offer. If you have any questions, please call our toll free information line, 1-800-252-VETS, for further assistance.

Sincerely,

JERRY PATTERSON
Chairman, Veterans Land Board

Stephen F. Austin Building · 1700 North Congress Avenue · Austin, Texas 78701-1496
Post Office Box 1273 · Austin, Texas 78711-2873
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INTRODUCTION

Type II Program

Tracts that are not sold at our semi-annual forfeited land sales in April and October are available to veterans and the general public. These tracts are sold on a first-come, first-served basis. The offer to purchase may be submitted through a licensed Texas real estate professional chosen and paid by the buyer. **Use of a real estate professional is not required.**

Forfeited Lands

If a veteran defaults on the loan, the loan is foreclosed, and the tract offered for sale by sealed bid auction only to eligible Texas veterans.

This handbook deals with tracts of land the Veterans Land Board is making available to the general public. At any time, the VLB may accept any offer for any tract that meets or exceeds the minimum bid specified for the tract. The current list of available tracts can be found at our Web site:

www.glo.texas.gov/vlb/veterans-benefits/forfeited-land-sales .The list is searchable by county or tract number for ease of use.

Further Information

This handbook describes the basic features of the program. The staff of the VLB stands ready to assist you. Please review the handbook and call the VLB's staff with any questions you may have. In compliance with the Americans With Disabilities Act, alternate formats of this handbook are also available upon request. Any inquiries should be directed to:

Texas Veterans Land Board

**1700 North Congress Avenue
Stephen F. Austin Bldg, Room 810
Austin, Texas 78701-1496**

**Toll-free in Texas: 1-800-252-VETS
or (512) 463-5060**

Type II HANDBOOK

Introduction

Throughout this handbook, the terms “bid” and “offer” are synonymous and may be used interchangeably.

The information contained in this handbook describing tracts is intended to assist you in submitting an offer to purchase. The VLB has tried to ensure the accuracy of each tract’s availability status; however, a tract may be withdrawn by the VLB at any time, for any reason. Also, information on a specific tract may be updated as better information becomes available.

Before submitting an offer, please call 1-800-252-VETS or check our Web site:

www.glo.texas.gov/vlb/veterans-benefits/forfeited-land-sales to verify that the information on the tract is current (for example, directions for driving to the tract), and that the tract is still available for sale.

Attention

Veterans

An eligible veteran submitting an offer to purchase a Type II tract may request a loan from the VLB. Any request for a loan will be processed as a mortgage loan, with a note and deed of trust. **All veteran applicants requesting VLB financing are subject to VLB credit approval.** A down payment of not less than 5% of the minimum bid, as listed on our website, will be required at closing. As a condition of financing the VLB may require additional down payment. All costs of purchasing the land and obtaining a loan, including all closing costs, will be the responsibility of the buyer at closing. **Any amount you bid over the minimum must be paid at closing if you decide to use VLB financing.** All loans will require an owner’s title insurance policy in the name of the buyer and a mortgagee’s title policy in the name of the VLB paid by the buyer. Closing will be at a Title Insurance Company.

Example:

Minimum Bid Listed:	\$40,000.00
Your Bid Amount:	\$41,250.00
Maximum Loan Amount:	\$38,000.00
Amount Due at Closing	\$3,250.00

VLB Will Finance 95% of the minimum bid; a down payment of 5% is required at closing.

$$\$40,000.00 \times 5\% = \$2,000.00$$

Amount bid over and above the minimum bid:

$$\$41,250.00 - \$40,000.00 = \$1,250.00$$

$$[\text{Amount over Minimum Bid}] + [5\% \text{ of the Minimum Bid Amount}] = [\text{Amount Due at Closing}]$$

\$1,250.00 + \$2,000.00 = \$3,250.00 is required at closing

Non-veterans

VLB Mortgage loans are not available to non-veterans. Non-veterans submitting an offer to purchase a Type II tract must pay for the land in cash, or must obtain other financing.

Notices

- ★ The Texas Veterans Land Board cannot issue or make any representations about the condition or value of the lands being offered for sale. The tracts are offered for sale “as is”, without warranty, with any and all latent and patent defects. As of the date of closing, the buyer should have inspected the physical and topographic condition of the land (including the improvements located thereon, if any) and shall accept title to the same “as is” in its existing physical and topographic condition. By closing, the buyer acknowledges that s/he is not relying upon any representation, warranty, statement or other assertion of the VLB or any official, agent, representative or employee of the foregoing, with respect to the land condition, but is relying on the buyer’s own examination of the tract. THE VLB DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, AND SPECIFICALLY MAKES NO WARRANTIES OF HABITABILITY, OR ANY OTHER WARRANTY WHATSOEVER.
- ★ Buyers must satisfy themselves about the location and shape of tracts, mineral reservations, and other matters that might affect their decision to purchase the tract. Buyers must satisfy themselves as to the status of title. Buyers are hereby put on notice that any prior grant and/or encumbrance may be of record, and buyers are advised to examine all public records available regarding the tracts. Defects in title must be brought to the attention of the VLB prior to closing, and that shall be grounds for releasing buyers of the obligation to purchase from the VLB. The VLB is sole judge of the seriousness of any alleged defects. No other grounds will be considered as reasons to release a buyer from the obligation to purchase tracts from the VLB. State law requires that the Board shall keep the fees submitted by a buyer who refuses the award of a tract from the Board. (N.R.C. Chapter 161.319c)
- ★ By submitting an offer, the buyer agrees to comply with all the provisions of the handbook, the Veterans Land Act (Chapter 161 of the Natural Resources Code), and the Rules of the Board.
- ★ Under no circumstances may any timber or anything of value be removed from the tract. No fences may be cut for access or any other reason.
- ★ If anyone interferes with the access to a tract, you should contact the VLB immediately.
- ★ Submission of all required documents, including military documents and an Affidavit of Texas Residence (if applicable), will speed up the processing and closing of the loan.

Description Of The Type II Program

Listing Agreement

This program does not involve a listing arrangement with any real estate agent. However, the offer to purchase may be submitted through a licensed Texas real estate professional selected and paid by the buyer. In submitting an offer to the VLB, that real estate agent is acting as the agent of the prospective buyer. **Use of a Real estate professional is not required.**

Offers

Offers will be considered for acceptance on a "first come, first served" basis. The VLB may reject any and all offers for any reason. Offers are initiated by executing and submitting the VLB form *Offer To Purchase*. When an offer is received by the VLB, it may not be revoked by the prospective buyer without forfeiting the unused portion of any fees remitted to the VLB. Offers will be reviewed immediately upon receipt and accepted or rejected as soon as possible (typically within three days after receipt).

Restrictions

The VLB will not accept an offer from any party who has previously defaulted on a loan with the VLB.

If a buyer is more than 30 days delinquent in child support payments, he or she will not be eligible to receive a loan or payments from the Veterans Land Board until such time as all delinquencies have been paid, or the buyer is in compliance with a written repayment agreement or court order.

Contingent Offers

No offer submitted to the VLB may be made contingent upon any other person, event, or thing.

Personal Inspection

Every buyer is urged to personally inspect a tract before submitting an offer, since offers may not be withdrawn without liability. By making an offer, the buyer acknowledges that he or she wishes to purchase the tract "as is" and understands that the VLB makes no representations about any matter, including, but not limited to, access, mineral estate, quantity of acreage, location and shape.

Credit Check

A veteran bidder requesting VLB financing must qualify for a loan for at least the minimum bid amount listed on our website, up to the maximum loan amount of \$100,000.00.

Property Description and Survey

The VLB will use the property description (field notes or lot and block) that was used in the prior transaction. A copy is available upon request. No new survey will be ordered or paid for by the VLB. The bidder that is awarded the tract is encouraged to have the property surveyed.

Title Policy

The VLB requires title insurance policies on all tracts of land financed through the Texas Veterans Land Program. This insurance policy obligates the issuing title company to defend problems regarding the title that began or existed prior to the VLB's financing. A mortgagee and owner's policy are also required, at buyer's expense.

Closing Timeframe

Closing typically takes place within 30 days. Missing or incomplete paperwork will delay closing.

Floodplain Insurance

Buyers should verify whether or not the property lies within a floodplain. The VLB does not have floodplain information on every tract. Buyers should check with the County Appraisal District for that information. If a tract lies in a floodplain, it may affect the use of the property. It may be necessary to obtain flood insurance in order to build on the property.

Property Maintenance Fees



Some properties in this program may be subject to assessments for maintenance of common areas, roads, etc. These assessments (or dues) are typically paid to the developer or to a local property owners association. They may be collected by counties, schools and other governmental entities. The Veterans Land Board is not responsible for paying such assessments, including any past due amount. The buyer is responsible for paying any past due fees.

Symbols On Plat

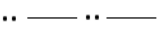

Use the legend below to interpret the surveying symbols drawn on the tract descriptions.

Note: The symbols are provided solely to help you locate the tract. They do not guarantee that an item will be included in the sale.



Fencing - X

Pond\Tank -  or 

Creek - 

Powerline -  or 

Pipeline -  or 

House\Barn -  or 

Dammed Up Stream\Creek -  → .. → ..

"Not VLB" or "Severance" - acreage not for sale

Terms Of The Sale

Purchase Price

The VLB sets the minimum offer it will consider. The amount financed, after credit approval, will not be more than 95 % of the minimum bid amount listed, up to \$100,000.00.

Commission

If the buyer elects to use the services of a licensed Texas real estate professional, any commission shall be the sole responsibility of the buyer.

Taxes

The VLB will settle outstanding taxes, penalties, and interest that accrued or were assessed *prior* to the year in which the buyer's loan closes. No taxes should be assessed for the period during which a tract is held exclusively by the VLB.

The sale of a repossessed tract by the VLB may also trigger rollback taxes. Rollback taxes are assessed when a change in the *use* of the property occurs and in some instances solely because of the sale of the property.

The VLB will settle any rollback taxes assessed *prior* to the year in which the buyer's loan closes.

The buyer is responsible for taxes that accrue or are assessed during and after the year in which the loan closes. If rollback taxes are triggered during or after that year, the buyer will be responsible for paying those taxes, *even if the rollback assessment includes years prior to the year in which the buyer's loan closed.*

The VLB strongly encourages the buyer to follow up with the county and school district tax offices to make sure the tax rolls have been updated after the loan closes.

An additional amount to be escrowed for taxes will be required as part of the regular monthly payments on any new loan.

Method of Financing

All tracts are sold by Note and Deed of Trust.

Down Payment

A down payment of not less than 5% of our minimum bid amount is required. As a condition of financing, the VLB may require additional down payment.

Interest Rate

Check our Web site for current interest rate for qualified veterans. Non-veterans may purchase tracts, but no VLB financing is available.

Term

The amount financed shall be paid in monthly loan installments for 30 years. Late payments are assessed a late charge. There is no penalty for prepayment of principal.

Required Fee

The \$75.00 contract fee must be paid by the buyer and submitted with the offer.

Cash Sales

If the buyer prefers to pay cash for the tract, the VLB should be notified as soon as the buyer receives notification of award. Upon receipt of the full purchase price, the VLB will prepare a deed conveying the tract to the buyer. The \$75.00 contract fee submitted with the buyer's offer will be kept by the VLB as a deed preparation fee.

Refunds

The \$75.00 contract fee will be refunded if an offer is rejected. If an offer is accepted and the buyer fails to complete the purchase for any reason, the fee will be forfeited.

Assignments (Loan Assumption)

If the buyer qualifies for a loan at the veteran's interest rate, the loan is not assignable for three years. A request for a waiver of this requirement is subject to certain statutory requirements. Waivers are generally granted only upon a showing of extreme financial incapacity. *Failure to obtain approval of an assignment can result in loss of the tract and all loan payments.*

Loan Steps

Please follow these steps to initiate an offer:

1. Use the VLB Offer To Purchase Form

The buyer(s) *must* use the form provided by the Veterans Land Board for the Type II program. You may print additional copies of the form from the Web site, or request additional blank forms from the VLB. *Other forms may not be substituted.*

2. Verify Tract Availability

Please call 1-800-252-VETS or check our Web site:

www.glo.texas.gov/vlb/veterans-benefits/forfeited-land-sales to verify that the tract is still available for sale.

3. Locate Tract

Use the tract descriptions and driving directions found on our Web site. A sign displaying the tract number was posted on each tract at the time the VLB inspected the tract.

If you have trouble locating the tract using the description and directions we provide, follow these steps to get help from the County Appraisal District (CAD) office in the county where the tract is located:

- ★ Identify the *volume* and *page* number of the tract's Warranty Deed. You'll find this information in the *Legal Description* section of the tract description.
- ★ Contact the County Clerk's office in the county where the tract is located. (The County Clerk's office is usually in the town that serves as the county seat.)

- ★ Request a copy of the *field notes* and/or *plat*. (You may be charged a small fee for the copy.)
- ★ Take the tract description, the field notes/plat to the CAD office. Ask to speak to the CAD employee(s) familiar with surveying, field notes/plats, etc. They should be able to help you locate the tract on a county map.
- ★ If you are still unable to locate the tract, call our toll-free number 1-800-252-VETS and ask to speak to our Appraisal Department.

4. Submit Offer

Upon receipt of the offer, the VLB will review the *Offer To Purchase*, the contract fee, and other documents. The VLB will either accept or reject the offer. After acceptance, an offer may not be withdrawn without forfeiting deposits.

The VLB sells tracts on a first come, first served basis; therefore, it is very important to avoid any delays in submitting the offer to the VLB.

5. Processing

After the offer is accepted the VLB will send an application packet to the bidder. This includes a Farm and Ranch Contract and Rider, a 1003 Universal Residential Loan Application, and other documents. Once all documents are signed and returned, the VLB will forward a copy of the Farm and Ranch Contract and Rider to the designated title company for a title insurance commitment. (Veteran may designate a particular closing agent when packet is submitted.) After the title insurance commitment is received and reviewed, the file is ready for closing. Title insurance commitment may raise additional requirements, such as a new survey.

The Buyer will not be authorized to take possession of the tract until this process is complete and the transaction is closed at the title insurance company.

Description Of Required Offer To Purchase Form

The VLB has prepared this form for submitting offers. The VLB will not accept alterations or substitutions. Additional copies of the required form may be obtained free of charge from the VLB upon request or printed off the Web site.

All Buyers

All buyers must submit the following document (included in this handbook):

Offer To Purchase

The requirements described in this handbook are reproduced in the *Offer To Purchase* form. The *Offer To Purchase* also sets forth the prospective buyer's offer. The buyer and the real estate agent, if applicable, must execute it in order to make a valid offer.

All VLB loans are subject to credit approval.

Buyer's Personal Use

Veteran buyers requesting a loan must affirm that the purchase is being made for his or her own personal use. The *Veteran's Declaration of Eligibility* form, included in this handbook, must be executed and submitted with offer.

Future Services

After a loan is closed, some services requested of the VLB require the payment of a fee. The amount of the fees are subject to change. Buyers should call the VLB for more detailed information concerning any service offered by the VLB.

Release of Lien

When a VLB loan is paid in full, the VLB will prepare the Release of Lien.

Partial Release Fee

If the buyer wishes to have a portion of the tract released (for a home site) before the loan is paid in full, the estimated cost of a partial release will be calculated free of charge, upon request. The VLB charges a fee to issue a partial release.

Transfers/Assignments

The loan is not assignable for three years. If after three years another party wishes to assume the buyer's loan, the VLB must approve a transfer of the loan. All transferees/assignees are subject to VLB credit approval. A non-refundable assumption fee must be submitted prior to the VLB's final approval. Failure to use VLB's forms and obtain written permission for the assumption may be considered a breach of contract and *subject the loan to foreclosure*. Assignment forms are available from the VLB free of charge, upon request.

Offer To Purchase

Texas Veterans Land Board

State of Texas

County of _____

_____ and _____, hereinafter referred to as Buyer,
Buyer's Name Co-Buyer's Name

whose mailing address is:

Buyer's Address: _____ Co-Buyer's Address: _____

City/State/Zip: _____ City/State/Zip: _____

Phone: (Home) _____ (Work) _____ Phone: (Home) _____ (Work) _____

Social Security Number: _____ Social Security Number: _____

Date of Birth: _____ Date of Birth: _____

offers to buy from the Veterans Land Board, hereinafter sometimes referred to as VLB, the property described below.

1. **Property:** That certain tract or parcel of land containing _____ acres of land, shown as tract no. _____ and situated in _____ County, Texas, part of the _____ survey(s), being more fully described in Exhibit A, which is attached hereto and made a part hereof.

2. **Purchase Price:** Buyer offers to pay the VLB the following amount for the subject property:
\$: _____

Enclosed herewith is a check in the amount of \$75.00 (contract fee).

3. **Financing:**
Check one

_____ I will pay cash or obtain other financing. I have 30 days to complete the transaction.

_____ **I am requesting financing from the VLB**

Buyer may purchase the tract for cash or obtain financing from another lender. The VLB can only finance a maximum of 95% of the minimum bid amount listed up to \$100,000.00. If using VLB financing the VLB will send Buyer an application packet consisting of a Texas Real Estate Commission Farm and Ranch Earnest Money Contract and VLB Rider, a Universal Residential Loan Application (Fannie Mae Form 1003) and other documents to complete, sign, and return to initiate the processing of the loan. Buyer will also provide documentation showing that Buyer is an eligible veteran as defined by the VLB. After an application packet is signed and returned, the VLB will forward a copy of the Contract and Rider to the designated title company for a title insurance commitment. (Veteran may designate a particular closing agent when packet is submitted.) The title insurance commitment may raise additional requirements, such as a new survey.

VLB financing is subject to credit approval. Buyer hereby authorizes buyer's credit report to be obtained by the

VLB.

Buyer further acknowledges and agrees that if the VLB accepts this bid, Buyer will execute all documents required by the VLB. Should Buyer refuse to execute the required documents, any fees submitted will be forfeited in accordance with Section 161.319(c) of the Texas Natural Resources Code.

4. **Property Condition:** Buyer agrees to accept the property "as is." Buyer understands the VLB makes no representation about either the physical condition of the property or the status of its title.
5. **Taxes:** If this bid is awarded to Buyer, Buyer agrees to pay all taxes due for the current year, as well as all future taxes and assessments. If this sale or Buyer's use of the property after closing results in the assessment of additional or rollback taxes, such additional taxes shall be Buyer's obligation, and shall survive closing.
6. **Closing:** After reviewing the title insurance commitment and determining that the buyer qualifies, the VLB will schedule a closing with the title company. The VLB requires title insurance policies on all tracts of land financed through the Texas Veterans Land Program. The VLB has a survey of the property, but the title company may require a new survey. The Buyer will have to pay the down payment and all closing costs at closing, including the cost of the title policies and if necessary, a new survey.
7. **Cancellation:** If the reason for canceling this bid is approved by the VLB, all monies, shall be returned to Buyer.
8. **Other Terms and Conditions:** Upon this bid being awarded to Buyer, Buyer agrees to purchase the property in accordance with provisions of this Handbook, the Veterans Land Act and the Rules and Regulations of the VLB, as they may be amended from time to time. Buyer fully understands that the VLB is the sole judge of the acceptability of any bid and **may reject any bid until all VLB requirements are met and the loan is closed, for any reason**, including, but not limited to, failure to fully complete the bid form, any defect in notarization, failure to timely receive bids, failure to include the contract fee, or failure to sign bid form. The VLB may, at its discretion, waive any defects and thereby bind all parties to the terms of this bid.

EXECUTED THIS _____ DAY OF _____, _____.

Signatures must be original

Buyer's Signature

Broker's Signature, if applicable

Co-Buyer's Signature